

The California Single Audit

Your Responsibilities as a Reporting Entity



Overview

- Reporting Entity Responsibilities for Federal Expenditures
- Single Audit Expenditure Reporting Database
- Helpful Tips for Federal Expenditure Reporting
- Other Information

Reporting Entity Responsibilities

1. Develop and maintain written policies and procedures for the following:
 - Preparation of the Report of Expenditures of Federal Funds, Report No. 13.
 - Reporting of expenditures to Single Audit Expenditure Reporting Database (Database).
 - Development, implementation and monitoring of the corrective action plan (CAP) for audit findings, if applicable.

Reporting Entity Responsibilities (continued)

2. Review the Single Audit Report for audit findings specific to your state entity and address and mitigate the finding(s) timely.
3. Monitor corrective actions and report the status to California Department of Finance (Finance).
 - In August, an email will be sent by Finance requesting information on the CAP's status.

Reporting Entity Responsibilities (continued)

4. Report all federal expenditures to Finance via the Database.

- All federal expenditures reported to Finance must agree with amounts provided to the California State Auditor (CSA) and Macias, Gini, and O'Connell, LLP (MGO), the external auditors.
- State entities directly awarded funds by the federal government must report all federal expenditures.
- State entities that received federal funds from other state entities do not report federal expenditures.

Reporting Entity Responsibilities (continued)

- Report all federal expenditures on a **cash basis**.
 - Cash basis expenditures are defined as expenditures incurred and disbursed as of June 30 regardless of whether federal funds have been received. Cash basis expenditures **do not** include accruals of valid obligations, accrual reversals, encumbrances or receivables as of June 30.

Reporting Entity Responsibilities (continued)

- For loan or loan guarantee programs, identify the beginning balance of outstanding loans from the previous year, the value of new loans made or received, any interest subsidy, cash, or administrative cost allowance received, and loan balances outstanding at the end of fiscal year.
- Disclose whether the 10 percent de minimis cost rate is used for indirect costs.

Reporting Entity Responsibilities (continued)

5. Respond timely to all requests from Finance throughout the year.
6. For any updates or revisions to the expenditure data, immediately contact Finance to regain access to the Database for re-entry.
7. Submit a Management Representation Letter(MRL).
 - Prepare a customized MRL via the database.
 - Have the MRL signed by two authorized signatories, including the state entity Director or designee.
 - Upload the signed MRL into the Database by the established due date.

Single Audit Expenditure Reporting Database

1. Click here to access the Database:
<http://sefa.dof.ca.gov/>
2. Click here for the Database navigation instructions:
[Single Audit Database User Manual](#)

Helpful Tips

1. Report federal expenditures, *not receipts*.
2. Report federal expenditures under the proper Catalog of Federal Domestic Assistance (CFDA) number.
3. Report federal expenditures regardless of whether funding for federal grants, reimbursements, or loans have been received.
4. Maintain supporting documents for reported federal expenditures.
5. Research and development costs are *not* reported as direct expenditures.
6. Contact Finance if you have questions or need assistance.
OSAESingleAudit@dof.ca.gov

Roles

1. **FINANCE:** Responsible for federal audit coordination
2. **CSA:** Responsible for conducting the State of California Single Audit
3. **MGO:** Subcontracted by CSA to conduct the federal compliance portion of the Single Audit

Timeline

Single Audit Timeline

Tasks	Months
Provide status of Prior Year Corrective Action Plans	Aug
Submit Report 13 to Finance	Aug
Expenditure submission to Database	Aug-Sept
Respond to Request from Finance	Sept-Feb
Submit Management Representation Letter to Finance	Mar

References

1. Department of Finance: www.dof.ca.gov
2. Office of Management and Budget:
<http://www.whitehouse.gov/omb>
3. Code of Federal Regulations: www.ecfr.gov
4. Single Audit Reports: [Single Audit Report](#)
5. Catalog of Federal Domestic Assistance:
<https://beta.sam.gov/>
6. Department of Finance, Single Audit Hotline:
OSAESingleAudit@dof.ca.gov